

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 158, S.D. 1, H.D. 1

April 7, 2015

RELATING TO THE BUDGET DOCUMENTS

Senate Bill No. 158, S.D. 1, H.D. 1, amends Sections 37-62, 37-69 and 37-71, HRS, and requires the six-year program and financial plan and budget documents to include information about pension and other post-employment benefit (OPEB) liabilities. The information must be provided for the last completed fiscal year, the fiscal year in progress, and each of the six ensuing fiscal years and include information on the unfunded actuarial accrued liability, funded ratio, funding period and annual required contribution, as specified in the latest actuarial valuation report available.

We will be able to meet this requirement and would include the pension and OPEB liability information in the budget documents as part of the Appendix to the Governor's Message where we also include overview statements on the general fund expenditure ceiling, tax refund or credit and deposit to the emergency and budget reserve fund, and the debt limit. Further, it should be noted that the pension and OPEB liability information provided in the budget documents will be based on the latest available actuarial reports which, because of timing issues, may not be based on the most recent completed fiscal year. Additionally, it is noted that the information provided for each of the six ensuing fiscal years will be forecasted amounts.